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STRATEGIC OBJECTIVE #12 (SO12)

(Conflict Reduced in Mindanao and Other Areas Vulnerable to Violence)

High shipping costs a key issue as Mindanao conference opens

ZAMBOANGA CITY. — Shipping a 20-foot container van from Zamboanga City to Manila costs \$535, more than double the \$250 charged for shipping cargo from Manila to Hong Kong.

Edgar Lim, president of the Zamboanga City Shippers Association, said shipping products from various ports in Mindanao to the rest of the country is much more expensive than shipping goods out of the Philippines for similar distances.

“The cost of shipping goods from other Asian ports to Manila is up to 50% lower than shipping goods from Mindanao to Manila. [Unless] this problem is addressed, the island’s producers and exporters will find it difficult to remain competitive in the domestic markets,” he said.

Mr. Lim’s comments are a repetition of complaints aired by Davao and Cagayan de Oro shippers, but it reflects the general sentiment for the two-day 2005 Mindanao Shippers’ Conference and National Consultation Forum which starts today in this city.

Mr. Lim said the conference will have about 300 participants, comprising shippers, port handlers, domestic and foreign shipping firms and representatives of relevant government agencies.

The two-day conference, he said, is aimed at developing new strategies to enhance competitiveness, lobby for the lowering of sea transport costs as well as jumpstart busi-

ness activities on the island.

The conference is jointly organized by the Zamboanga shippers’ group, Department of Trade and Industry and the US-funded Growth with Equity in Mindanao Program.

“We are not only identifying issues and concerns. We are now looking for solutions to the problem. Before, we were just complaining, now we are [helping the government look] for solutions,” he said.

Last year’s Mindanao Shippers’ Conference in General Santos City was marred by a protest after Mr. Lim and four other delegates walked out to dramatize their opposition to an alleged cartel of domestic shipping firms and the implementation of a law hiking local freight rates.

Mr. Lim said that despite the deregulation of the shipping industry, competition has not occurred. All the shipping firms charge almost the same rates regardless of the quality of their service.

This cartelization undermines development and cripples free and fair trade initiatives of both the government and private sector, he claimed.

“We would like to see competition between shipping lines, as what is happening in the airlines and telecommunications industry. The conference will serve as a venue to open up a dialogue between the shipping lines and the different shippers’ associations here in Mindanao,” he said. — Darwin T. Wee

(Source: Business World, 8/5-6/05, page S1/7)